

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

|                                 |   |                        |
|---------------------------------|---|------------------------|
| In Re the Matter of             | ) | CA No. 03-28           |
|                                 | ) |                        |
| JOHN DESOTO, and                | ) | CONCILIATION AGREEMENT |
| COMMITTEE TO ELECT JOHN DESOTO) | ) |                        |
|                                 | ) |                        |
| Respondents                     | ) |                        |
|                                 | ) |                        |
|                                 | ) |                        |

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CONCILIATION AGREEMENT

On or around October 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), upon information received through Honolulu City Council member John DeSoto, Jr.'s disclosure reports, initiated an investigation of Respondents John DeSoto and Committee to Elect John DeSoto (John DeSoto and the Committee to Elect John DeSoto to be collectively referred to as "DeSoto").

NOW, THEREFORE, DeSoto and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216 (g), HRS.
- III. That Respondent had a reasonable opportunity to demonstrate that no prior formal administrative enforcement action should be taken in this matter.

- IV. That Respondent waives the right to be heard at a contested hearing conducted under chapter 91, HRS, pursuant to section 11-228 (b) HRS.
- V. That Respondent enters into this agreement with the Commission on his own volition and with full knowledge and understanding.
- VI. The parties agree to the pertinent facts and applicable law as follows:
  - a) The Committee To Elect John DeSoto is the candidate committee for former City and County of Honolulu Council member John DeSoto, Jr.
  - b) For the period covering January 1, 1994 through June 30, 2002, DeSoto's disclosure reports reflect campaign expenditure entries for purposes not authorized by sections 11-200 and 11-206, Hawaii Revised Statutes.
  - c) That those expenditures included expenditures for donations to union sponsored events, parking fees and tickets, and personal clothing items.
  - d) For purposes of this agreement that the aggregate unauthorized expenditures totaled \$4,241.41.
  - e) Desoto contends that none of the violations were knowing and willful acts to circumvent the applicable provisions of the campaign spending law but does not deny that he had knowledge of such expenditures.

VII. Settlement Terms

As final settlement of the matters and issues in the Conciliation Agreement, Docket No. CA 03-28, DeSoto understands and agrees to the following:

- (A) DeSoto agrees to an assessment of (\$4,241.41) pursuant to HRS section 11-228.
  - (1) For allegedly violating HRS sections 11-200 and 11-206 by expending campaign funds for non-campaign related purposes.
- (B) DeSoto agrees to comply with campaign finance statutes on contributions and expenditures for to candidate committees.

(C) Payment of the assessment in full shall be due within seven (7) days upon notice of approval of this agreement by the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216 HRS, may review compliance with the agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228 (c) HRS.

IX. This agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire agreement.

X. This Conciliation Agreement constitutes the entire agreement between the Commission and DeSoto on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Conciliation Agreement made by either party or by agents of either party shall be enforceable.

XI. This Conciliation Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

ROBERT Y. WATADA  
Executive Director



**BY THE RESPONDENT:**  
JOHN DESOTO, JR.

By:   
(Name/Title)

9-12-03  
Date

8-29-03  
Date